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D O V E R I N D U S T R I E S L I M I T E D

OPERATING



H A M I L T O N • O N T A R I O

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WHOLLY-OWNED SUBSIDIARY COMPANIES



**CHERRY TAYLOR FLOUR MILLS LIMITED**

PRESTON AND CHATHAM DIVISIONS

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**HOWELL LITHO AND CARTONS LTD.**

HAMILTON AND TORONTO DIVISIONS

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*Taylor Grain Limited*

CHATHAM • ONTARIO

## D I R E C T O R S   A N D   O F F I C E R S

### DIRECTORS

MRS. J. C. BINNIE  
J. C. BINNIE, Q.C.  
H. J. CARMICHAEL  
J. M. GODFREY, Q.C.  
D. M. HUNTER  
E. C. LABARGE  
J. R. MCPHEE  
D. SMITH  
G. M. SUTHERLAND  
J. M. VALLANCE  
D. H. WARD  
D. H. WIGLE

### OFFICERS OF THE COMPANY

President  
Vice-President  
Vice-President  
Secretary-Treasurer

MRS. J. C. BINNIE  
G. M. SUTHERLAND  
D. M. HUNTER  
J. R. MCPHEE

### TRANSFER AGENT AND REGISTRAR

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario



## R E P O R T   T O   T H E   S H A R E H O L D E R S

Your Directors are pleased to present the twenty-fourth Annual Report, the Consolidated Statements and the five year Financial Summary of your Company for the year ended December 31, 1964.

### **SALES:**

Sales for the twelve months are up 11% over the similar period in 1963.

### **EARNINGS:**

The Consolidated Net Profit for the fiscal year was \$331,205.00. After provision for Preferred Dividends, this represents earnings of \$1.89 per Common Share.

### **DIVIDENDS:**

Dividends at the rate of 6% per annum amounting to \$61,576.00 were paid on Preferred Shares, and \$85,692.00, or 60¢ per share per annum, were paid on the Common Shares.

### **WORKING CAPITAL:**

The Working Capital of the Company increased to \$1,692,247.00 from \$1,533,795.00.

### **CAPITAL EXPENDITURES:**

Capital Expenditures during the year amounted to \$189,339.00. New high-speed machinery was added to the Howell operation, and a further extension built at the Howell Hamilton plant. At the T. H. Taylor Company in Chatham, bulk flour facilities were installed, and grain handling was improved at the elevators.

### **ICE CREAM CONES AND STRAWS:**

Robinson Cone Company Sales and Operating Profit again advanced. Improvements in quality and the introduction of new lines, in both Cones and Straws contributed to make it the most successful year in the Company's history.

### **FLOUR AND GRAIN:**

The flour mills had an excellent year. The sale of flour to Russia was completed in July and this business kept S. J. Cherry & Sons at Preston, and The T. H. Taylor Company of Chatham, running above normal capacity. The Chatham mill has increased its Export business and S. J. Cherry's entering new sales areas have improved their position. The flour mills are now operating under the name of Cherry Taylor Flour Mills Ltd., and by using common brand names will facilitate the interchange of production and sales. The Grain Department, operating as Taylor Grain Limited, had an increase in Operating Profit. The added storage and handling equipment at the elevators is expanding our interest in the grain business.

### **LITHO AND CARTONS:**

There was an increase in volume of cardboard boxes and paper litho products in 1964. The Folding Carton Division made the best gain, while volume of Set-up Boxes and Paper Litho items improved over last year. The purchase of additional equipment has boosted our productive capacity at both plants. Profits from this business were encouraging, and higher than the previous year.

The Directors wish to acknowledge with sincere appreciation the co-operation of management and employees during the past year.

Respectfully submitted

On behalf of the Board



President

Hamilton, Ontario, March 31, 1965.



DOVER INDUSTRIES LIMITED AND ITS WHOLLY-OWNED SUBSIDIARIES  
(INCORPORATED UNDER THE LAWS OF CANADA)

ASSETS

CURRENT:

Accounts receivable .....	\$1,083,305
Inventories valued at the lower of cost or market .....	1,500,623
Prepaid expenses .....	48,050
Total current assets .....	<hr/> \$2,631,978

1964

1963

\$1,047,156
1,557,035
108,568
<hr/> \$2,712,759

FIXED:

Land, buildings and equipment—at cost .....	\$3,969,766
Less accumulated depreciation .....	2,693,317
<hr/> \$1,276,449	<hr/> \$1,316,281

\$3,814,988
2,498,707
<hr/> \$1,316,281

OTHER:

Sundry assets .....	\$ 17,000
Goodwill (excess of cost of investment in subsidiaries over equity in net tangible assets at date of acquisition) .....	499,588
<hr/> \$ 516,588	<hr/> \$ 524,088

\$ 24,500
499,588
<hr/> \$ 524,088

On behalf of the Board:

*Douglas H. Binns* DIRECTOR

*John R. McPhee* DIRECTOR

\$4,425,015 \$4,553,128

S C O N S O L I D A T E D B A L A N C E S H E E T · D E C E M B E R 3 1 , 1 9 6 4  
 (WITH COMPARATIVE FIGURES AT DECEMBER 31, 1963)

L I A B I L I T I E S

C U R R E N T :

	1964	1963
Bank indebtedness .....	\$ 152,540	\$ 469,984
Accounts payable and accrued charges .....	423,718	420,221
Income and other taxes payable .....	275,262	237,365
Dividends payable .....	52,211	15,394
Funded debt instalment due within one year .....	36,000	36,000
Total current liabilities .....	<u>\$ 939,731</u>	<u>\$1,178,964</u>

F U N D E D D E B T :

5% debentures of subsidiary company due February 28, 1975 (requiring sinking fund payments of \$36,000 each on February 28, 1965 to 1974 inclusive) .....	\$ 396,000	\$ 432,000
Less instalment due within one year .....	36,000	36,000
	<u>\$ 360,000</u>	<u>\$ 396,000</u>

S H A R E H O L D E R S ' E Q U I T Y :

Capital stock—

Authorized:

105,000 6% cumulative redeemable preferred shares  
 of the par value of \$10 each (redeemable at par)  
 200,000 common shares without par value

Issued:

102,626 preferred shares .....

142,820 common shares .....

Earned surplus .....

\$1,026,260	\$1,026,260
71,750	71,750
<u>\$1,098,010</u>	<u>\$1,098,010</u>
2,027,274	1,880,154
<u>\$3,125,284</u>	<u>\$2,978,164</u>
<u>\$4,425,015</u>	<u>\$4,553,128</u>



DOVER INDUSTRIES LIMITED

AND ITS WHOLLY-OWNED SUBSIDIARIES

STATEMENT OF CONSOLIDATED PROFIT AND LOSS AND EARNED SURPLUS YEAR ENDED DECEMBER 31, 1964  
(WITH COMPARATIVE FIGURES FOR FIFTEEN MONTHS ENDED DECEMBER 31, 1963)

PROFIT AND LOSS

Profit from operations before depreciation.....	\$ 877,376	\$ 927,023
Depreciation.....	229,171	241,045
Profit before income taxes.....	\$ 648,205	\$ 685,978
Income taxes.....	317,000	311,500
Net profit for period.....	\$ 331,205	\$ 374,478

1964  
(12 MONTHS)

1963  
(15 MONTHS)

EARNED SURPLUS

Balance at beginning of period .....	\$1,880,154	\$1,689,761
Net profit for period.....	331,205	374,478
	\$2,211,359	\$2,064,239

1964  
(12 MONTHS)

1963  
(15 MONTHS)

Dividends declared:

Preferred —

Four quarterly dividends of 15¢ each (five in 1963) .....	\$ 61,576	\$ 76,970
Payable April 1, 1965 — 15¢ per share .....	\$ 15,394	

Common —

Four quarterly dividends of 15¢ each (five in 1963) .....	\$ 85,692	\$ 107,115
Payable March 1, 1965 — 15¢ per share .....	21,423	

1964  
(12 MONTHS)

1963  
(15 MONTHS)

Balance at end of period .....	\$ 184,085	\$ 184,085
	\$2,027,274	\$1,880,154

1964  
(12 MONTHS)

1963  
(15 MONTHS)

## STATEMENT OF CONSOLIDATED SOURCE AND DISPOSITION OF FUNDS YEAR ENDED DECEMBER 31, 1964

### SOURCES OF FUNDS:

**Operations —**

Net profit for year .....	\$ 331,205
Charges not requiring cash outlays: Depreciation .....	229,171
Sundry assets written off .....	7,500

\$ 567,876

### DISPOSITION OF FUNDS:

New facilities and equipment .....	\$ 189,339
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**Dividends to shareholders —**

Four quarterly dividends on common and preference shares .....	147,268
Dividends on common and preference shares payable in 1965 .....	36,817

Purchase of debentures for cancellation .....	36,000
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409,424

Increase in working capital .....	\$ 158,452
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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — DECEMBER 31, 1964

(1) Change in fiscal year: —

The fiscal year-end of Dover Industries Limited and of each of its subsidiaries was changed from September 30 to December 31, effective in 1963, and accordingly the comparative figures in the accompanying financial statements relate to the period of fifteen months ended December 31, 1963.

(2) Statutory information —

The 1964 expenses include the following:

Executive salaries .....	\$77,634
Directors' fees .....	2,655
Legal fees .....	1,121
Interest on funded debt .....	20,100

### A U D I T O R S' R E P O R T

To the Shareholders of DOVER INDUSTRIES LIMITED:

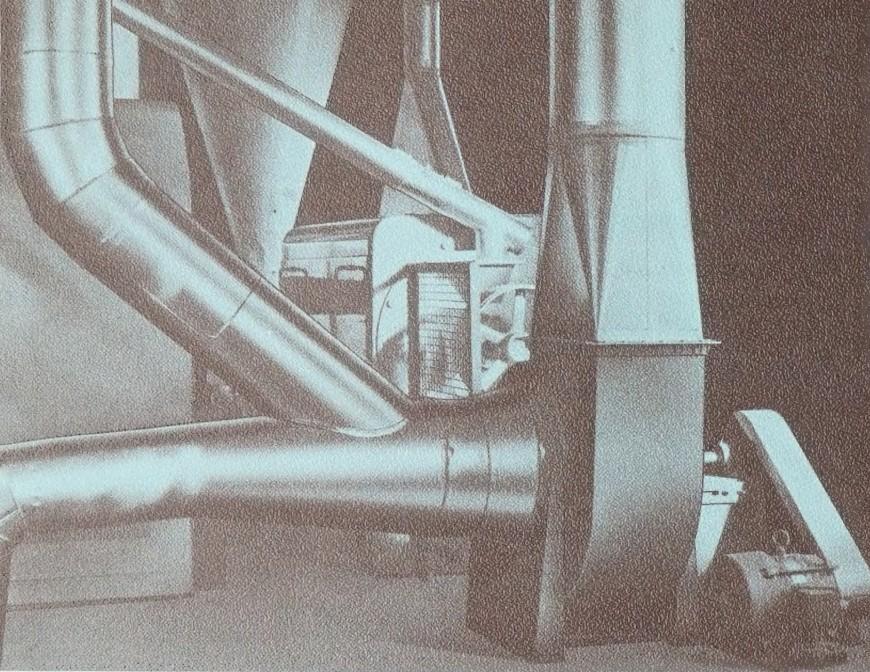
We have examined the consolidated balance sheet of Dover Industries Limited and its wholly-owned subsidiaries as at December 31, 1964 and the statement of consolidated profit and loss and earned surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the companies, the accompanying consolidated balance sheet and statement of consolidated profit and loss and earned surplus are properly drawn up

so as to exhibit a true and correct view of the state of the affairs of the companies as at December 31, 1964 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination also included the accompanying statement of consolidated source and disposition of funds which, in our opinion, when considered in relation to the accompanying financial statements, presents fairly the factors giving rise to the changes in working capital of the companies for the year ended December 31, 1964.

CLARKSON, GORDON & CO., Chartered Accountants  
Hamilton, Canada, March 2, 1965



(left)

A view of the new Buhler Grain Separator and Grain Scourer which were installed this year during the complete remodelling of the wheat cleaning house in the Preston mill. These machines remove foreign material from the wheat before grinding.



(right)

The trend to bulk deliveries includes flour and its by-products — bran, shorts and middlings. Bulk feed bins were installed at Preston and pictured here is a shipment of bulk shorts being loaded for delivery.

*S. J. Cherry & Sons*



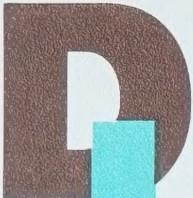
## FINANCIAL SUMMARY 1960 TO 1964

### EARNINGS AND DIVIDENDS:

	1964 (12 MONTHS)	1963 (15 MONTHS)	1962 (12 MONTHS)	1961 (12 MONTHS)	1960 (12 MONTHS)
Income Before Taxes.....	\$ 648,205	\$ 685,978	\$ 589,193	\$ 465,675	\$ 572,531
Income Tax Provision.....	\$ 317,000	311,500	315,000	249,500	291,090
Net Income.....	\$ 331,205	374,478	274,193	216,175	281,441
Net Income per Preferred Share.....	\$ 3.23	3.65	2.67	2.11	2.74
Net Income per Common Share.....	\$ 1.89	2.08	1.49	1.08	1.54
Dividends per Preferred Share.....	\$ 0.60	0.75	0.60	0.60	0.60
Dividends per Common Share.....	\$ 0.60	0.75	0.60	0.60	0.60
Earnings Retained in Business.....	\$ 147,120	190,393	126,926	68,908	134,173

### FINANCIAL STATUS:

Current Assets.....	\$2,631,978	2,712,759	2,580,963	2,313,373	2,298,458
Current Liabilities.....	\$ 939,731	1,178,964	1,127,553	1,039,535	1,072,026
Working Capital.....	\$1,692,247	1,533,795	1,453,411	1,273,838	1,226,432
Current Ratio.....	2.8 to 1	2.3 to 1	2.3 to 1	2.2 to 1	2.1 to 1
Plant and Equipment (Net).....	\$1,276,449	1,316,281	1,251,772	1,334,419	1,341,517
Stockholders' Investment (Capital and Surplus).....	\$3,125,284	2,978,164	2,787,770	2,660,845	2,591,937
Common Stock Equity per Share.....	\$ 14.70	13.67	12.33	11.44	10.96
Shares of Preferred Stock Outstanding.....	102,626	102,626	102,626	102,626	102,626
Shares of Common Stock Outstanding.....	142,820	142,820	142,820	142,820	142,820



S A L E S   A N D   D I S T R I B U T I O N

**CONES & STRAWS  
ROBINSON CONE**

Sales Offices  
and Warehouses

Hamilton, Ontario  
Toronto, Ontario  
Montreal, Quebec

Warehouses and  
Sales Agents

St. John's, Newfoundland • Halifax, Nova Scotia • Saint John, New Brunswick • Quebec City, Quebec  
Sudbury, Ontario • Fort William, Ontario • Winnipeg, Manitoba • Regina, Saskatchewan • Saskatoon, Saskatchewan  
Calgary, Alberta • Edmonton, Alberta • Vancouver, British Columbia • Victoria, British Columbia

**FLOUR & GRAIN**

**S. J. CHERRY  
T. H. TAYLOR**

Direct Sales

Coast to Coast — Canada

Sales Agents

Jamaica, British West Indies • Trinidad, British West Indies • Grenada, British West Indies  
St. Lucia, British West Indies • Antigua, British West Indies • Montserrat, British West Indies  
St. Vincent, British West Indies • Dominica, British West Indies • Barbados, British West Indies  
Georgetown, British Guiana • London, England

**PAPER BOXES  
LABELS & POSTERS  
HOWELL LITHO  
AND CARTONS**

Sales Offices

Toronto, Ontario  
Hamilton, Ontario  
Montreal, Quebec

Sales Agents

St. John's, Newfoundland • Halifax, Nova Scotia • Saint John, New Brunswick  
Quebec City, Quebec • Vancouver, British Columbia  
Jobber distribution coast to coast

**DOVER INDUSTRIES LIMITED**  
EXECUTIVE OFFICES: 145 MACNAB ST. NORTH, HAMILTON, ONTARIO

